



April 6, 2001

ENGROSSED HOUSE BILL No. 2037

DIGEST OF HB 2037 (Updated April 4, 2001 10:39 PM - DI 52)

Citations Affected: IC 7.1-3; IC 7.1-4.

Synopsis: Farm winery brandy distiller's permits. Establishes a farm winery brandy distiller's permit. Allows a holder of a farm winery permit to apply for a brandy distiller's permit. Entitles the holder of a farm winery brandy distiller's permit to do the following: (1) Manufacture brandy. (2) Rectify brandy. (3) Bottle brandy. (4) Use brandy that it has manufactured for the purpose of producing fortified wine. (5) Sell brandy that it has manufactured to other wineries. (6) Sell brandy at wholesale or retail. Places a limitation on the amount of brandy the holder of a farm winery brandy distiller's permit may produce in a calendar year. Establishes a \$250 annual license fee for a farm winery brandy distiller's permit. Permits a winery to participate in trade shows or expositions for a combined total of not more than nine days in a calendar year. (Current law limits each of the three permitted events to three days apiece.)

Effective: July 1, 2001.

**Cochran, Kruzan, Kuzman,
Mannweiler, Duncan**

(SENATE SPONSORS — SIPES, SIMPSON, NUGENT)

January 17, 2001, read first time and referred to Committee on Public Policy, Ethics and Veterans Affairs.

February 14, 2001, amended, reported — Do Pass.

February 19, 2001, read second time, ordered engrossed.

February 20, 2001, engrossed.

February 26, 2001, read third time, passed. Yeas 94, nays 3.

SENATE ACTION

March 1, 2001, read first time and referred to Committee on Agriculture and Small Business.

April 5, 2001, amended, reported favorably — Do Pass.

EH 2037—LS 7778/DI 104+



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April 6, 2001

First Regular Session 112th General Assembly (2001)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2000 General Assembly.

ENGROSSED HOUSE BILL No. 2037

A BILL FOR AN ACT to amend the Indiana Code concerning alcoholic beverages.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 7.1-3-7.5 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2001]:
4 **Chapter 7.5. Farm Winery Brandy Distiller's Permits**
5 **Sec. 1. As used in this chapter, "brandy" has the meaning set**
6 **forth in IC 7.1-3-13-3.**
7 **Sec. 2. The commission may issue a farm winery brandy**
8 **distiller's permit to a person who holds a farm winery permit**
9 **under IC 7.1-3-12 and who desires to commercially manufacture**
10 **brandy.**
11 **Sec. 3. The holder of a farm winery brandy distiller's permit**
12 **may do the following:**
13 (1) **Manufacture brandy.**
14 (2) **Rectify brandy.**
15 (3) **Bottle brandy.**
16 (4) **Use brandy that it has manufactured for the purpose of**
17 **producing fortified wine.**

EH 2037—LS 7778/DI 104+



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(5) Sell, transport, and deliver brandy that it has manufactured to other wineries.

(6) Sell brandy at wholesale or retail.

Sec. 4. Except as provided in section 5 of this chapter, the holder of a farm winery brandy distiller's permit may produce not more than ten thousand (10,000) gallons of brandy in a calendar year.

Sec. 5. Brandy produced by the holder of a farm winery brandy distiller's permit that is sold through a wholesaler licensed under IC 7.1-3-8 is not counted toward the gallonage limit established in section 4 of this chapter.

Sec. 6. The holder of a farm winery brandy distiller's permit must pay the appropriate annual license fee to the commission on the anniversary of the date of the issuance of the original permit to keep a brandy distiller's permit in force.

SECTION 2. IC 7.1-3-12-5, AS AMENDED BY P.L.177-1999, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 5. (a) The holder of a farm winery permit:

(1) is entitled to manufacture wine and to bottle wine produced by the permit holder's farm winery;

(2) is entitled to serve complimentary samples of the winery's wine on the licensed premises;

(3) is entitled to sell the winery's wine on the licensed premises to consumers either by the glass, or by the bottle, or both;

(4) is entitled to sell wine by the bottle or by the case to a person who is the holder of a permit to sell wine at either wholesale or retail;

(5) is exempt from the provisions of IC 7.1-3-14;

(6) is entitled to advertise the name and address of any retailer or dealer who sells wine produced by the permit holder's winery; and

(7) for wine described in IC 7.1-1-2-3(a)(4):

(A) may allow transportation to and consumption of the wine on the licensed premises; and

(B) may not sell, offer to sell, or allow the sale of the wine on the licensed premises.

(b) With the approval of the commission, a holder of a permit under this chapter may conduct business at a second location that is separate from the winery. At the second location, the holder of a permit may conduct any business that is authorized at the first location, except for the manufacturing or bottling of wine.

(c) With the approval of the commission, a holder of a permit under this chapter may, individually or with other permit holders under this chapter, participate in a trade show or an exposition at which products

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1 of each permit holder participant are displayed, promoted, and sold.
 2 The commission may not grant approval under this subsection to a
 3 holder of a permit under this chapter

4 ~~(1) more than three (3) times in a calendar year; and~~

5 ~~(2) for more than three (3) days for each event~~ **nine (9) days in a**
 6 **calendar year.**

7 SECTION 3. IC 7.1-4-1-9.5 IS ADDED TO THE INDIANA CODE
 8 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 9 1, 2001]: **Sec. 9.5. The annual license fee for a farm winery brandy**
 10 **distiller's permit is two hundred fifty dollars (\$250).**

11 SECTION 4. IC 7.1-4-7-1, AS AMENDED BY P.L.201-1999,
 12 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 13 JULY 1, 2001]: Sec. 1. Collection of Annual License Fees. The
 14 chairman shall collect the required annual license fee paid in
 15 connection with the issuance of a brewer's permit, a beer wholesaler's
 16 permit, a temporary beer permit, a dining car permit of any type, a boat
 17 permit of any type, a distiller's permit, a rectifier's permit, a liquor
 18 wholesaler's permit, a vintner's permit, a farm winery permit, **a farm**
 19 **winery brandy distiller's permit**, a wine wholesaler's permit, a wine
 20 bottler's permit, a temporary wine permit, a salesman's permit, and a
 21 carrier's alcoholic permit.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Public Policy, Ethics and Veterans Affairs, to which was referred House Bill 2037, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, between lines 7 and 8, begin a new paragraph and insert:

"SECTION 2. IC 7.1-3-12-5, AS AMENDED BY P.L.177-1999, SECTION 7, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2001]: Sec. 5. (a) The holder of a farm winery permit:

- (1) is entitled to manufacture wine and to bottle wine produced by the permit holder's farm winery;
- (2) is entitled to serve complimentary samples of the winery's wine on the licensed premises;
- (3) is entitled to sell the winery's wine on the licensed premises to consumers either by the glass, or by the bottle, or both;
- (4) is entitled to sell wine by the bottle or by the case to a person who is the holder of a permit to sell wine at either wholesale or retail;
- (5) is exempt from the provisions of IC 7.1-3-14;
- (6) is entitled to advertise the name and address of any retailer or dealer who sells wine produced by the permit holder's winery; and
- (7) for wine described in IC 7.1-1-2-3(a)(4):
 - (A) may allow transportation to and consumption of the wine on the licensed premises; and
 - (B) may not sell, offer to sell, or allow the sale of the wine on the licensed premises.

(b) With the approval of the commission, a holder of a permit under this chapter may conduct business at a second location that is separate from the winery. At the second location, the holder of a permit may conduct any business that is authorized at the first location, except for the manufacturing or bottling of wine.

(c) With the approval of the commission, a holder of a permit under this chapter may, individually or with other permit holders under this chapter, participate in a trade show or an exposition at which products of each permit holder participant are displayed, promoted, and sold. The commission may not grant approval under this subsection to a holder of a permit under this chapter

- (1) more than three (3) times in a calendar year; and
- (2) for more than three (3) days for each event nine (9) days in a calendar year."



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Renumber all SECTIONS consecutively.
and when so amended that said bill do pass.

(Reference is to HB 2037 as introduced.)

KUZMAN, Chair

Committee Vote: yeas 13, nays 1.

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SENATE MOTION

Mr. President: I move that Senator Nugent be added as cosponsor
of Engrossed House Bill 2037.

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COMMITTEE REPORT

Mr. President: The Senate Committee on Agriculture and Small Business, to which was referred House Bill No. 2037, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, between lines 3 and 4, begin a new paragraph and insert:

"Sec. 4. Except as provided in section 5 of this chapter, the holder of a farm winery brandy distiller's permit may produce not more than ten thousand (10,000) gallons of brandy in a calendar year.

Sec. 5. Brandy produced by the holder of a farm winery brandy distiller's permit that is sold through a wholesaler licensed under IC 7.1-3-8 is not counted toward the gallonage limit established in section 4 of this chapter."

Page 2, line 4, delete "Sec. 4." and insert "Sec. 6."

and when so amended that said bill do pass.

(Reference is to HB 2037 as printed February 15, 2001.)

NUGENT, Chairperson

Committee Vote: Yeas 8, Nays 0.

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